

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: UNITED CITIES GAS COMPANY, A DIVISION OF ATMOS ENERGY CORPORATION	DOCKET NO. WRU-01-4-222 (PGA-01-7)
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ORDER GRANTING WAIVER

(Issued February 2, 2001)

On February 1, 2001, United Cities Gas Company, a division of Atmos Energy Corporation (United Cities), filed with the Utilities Board (Board) its February 2001 purchased gas cost. The filing was identified as Docket No. PGA-01-7. Also on February 1, 2001, United Cities filed a request for waiver of the Rb factor calculation in 199 IAC 19.10. The Rb factor is the adjusted amount necessary to obtain the anticipated balance for the remaining purchased gas adjustment (PGA) year calculated by taking the anticipated PGA balance divided by the forecasted volumes for the months of October through August of the PGA year. Pursuant to 199 IAC 19.10(4), a company must file an Rb factor in its February PGA and if anticipated revenues exceed or fall short of anticipated costs by more than one-half of 1 percent, the PGA adjustment necessary to obtain the anticipated balance shall constitute the amount to be reflected as the Rb factor. The waiver request has been identified as Docket No. WRU-01-4-222.

In the waiver request, United Cities states that it anticipates that its revenues for the period of September 2000 through January 2001 will exceed costs to firm customers by \$304,118.62. United Cities states that it proposes to deviate from the requirements of 199 IAC 19.10(4) in order to return such anticipated excess revenues to customers during the month of February. This will, according to United Cities, mitigate the higher prices seen by customers during the winter months.

Rule 199 IAC 1.3 states that the Board may grant a waiver if it finds, based upon clear and convincing evidence, that the application of the rule would pose an undue hardship, would not prejudice the substantial legal rights of any person, the provisions waived are not specifically mandated by statute, and substantially equal protection of public health, safety, and welfare will be afforded after the waiver. The Board has considered the waiver requests described above and finds that the waivers meet the four criteria of the rule and the evidence in support of the waivers is clear and convincing.

The Board finds that it would be an undue hardship on United Cities customers to allow the Rb factor to spread the overcollection over the remaining months of the PGA. High winter bills are occurring this winter and the reduction that will result from the return of the overcollection should offset those high winter bills. The problem has been caused by the extreme increase in the price of natural gas and the benefit should be passed on to customers as soon as possible.

The Board finds that no person's substantial legal rights will be affected by this waiver, that the calculation of the Rb factor is not specifically mandated by

statute, and that health, safety, and welfare will be protected after the waiver. The Board will therefore grant the waiver and allow United Cities to include in the calculation of the February PGA the overcollection on a one-time basis.

IT IS THEREFORE ORDERED:

The waiver of 199 IAC 19.10 for calculation of the Rb factor for the February 2001 purchased gas adjustment filed by United Cities Gas Company, a division of Atmos Energy Corporation, on February 1, 2001, is granted.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper
Acting Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 2nd day of February, 2001.